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SUBJECT: REPRESENTATIVES LINCOLN DIAZ-BALART AND MARIO DIAZ-BALART MEET WITH TAIWAN PRESIDENT MA YING-JEOU

¶1. (SBU) Summary. Representatives Lincoln Diaz-Balart and Mario Diaz-Balart expressed support for the Taiwan Relations Act and for President Ma's strategy for improving cross-Strait relations during a cordial April 7 meeting. Ma emphasized the continued need for U.S. security assistance, noting that Beijing has not matched its expressions of goodwill with concrete steps to reduce the threat from missiles aimed at Taiwan. President Ma also outlined his top priorities in relations with the United States, including improvements in trade and investment environment, inclusion of Taiwan in the visa waiver program and the negotiation of a bilateral extradition agreement. End Summary.

¶2. (SBU) U.S. Congressional support has been essential to Taiwan's security in the 30 years since the signing of the Taiwan Relations Act (TRA), President Ma Ying-jeou told visiting Representatives Lincoln and Mario Diaz-Balart during an April 7 meeting. The United States is Taiwan's most important partner and the comprehensive relations provided for under the TRA allowed the island to develop economically and politically. U.S. support is particularly important now, in an era of warming cross-Strait ties, Ma emphasized, because it allows Taiwan to engage China from a position of confidence. Thanking Ma for the warm reception his delegation received, Rep. Lincoln Diaz-Balart reiterated the support of the entire 128-member House Taiwan Caucus for the TRA as the cornerstone of U.S.-Taiwan relations. The Caucus, Diaz-Balart emphasized, will work to ensure that the new U.S. administration maintains these friendly relations.

¶3. (SBU) U.S. military support continues to be essential to Taiwan's security, Ma said. The President expressed appreciation for then-President Bush's decision in October 2008 to move forward with the sale of weapons systems that will help address the growing cross-Strait military imbalance. However, he noted, Taiwan will continue to need to buy additional defense equipment. Despite his government's efforts to improve relations with China, Ma noted, the PRC still has more than one thousand missiles targeting the island. Beijing needs to remove these missiles before Taiwan will consider PRC President Hu Jintao's call for military confidence building measures, he stressed. The only long-term solution, Ma suggested, is to use "soft power" to transform China's system and transform the political landscape. Rep. Lincoln Diaz-Balart expressed understanding and support for Ma's views and assured him that Taiwan can continue to count on U.S. security assistance and on the friendship of the U.S. Congress.

¶4. (SBU) Despite the military threat, Ma said, it is in Taiwan's interest to pursue better relations with the PRC. Economically, he noted, the two neighbors are already closely linked, with Taiwan enjoying a significant trade surplus. While the opposition Democratic Progressive Party (DPP)

criticizes him for wanting to improve cross-Strait economic links, these ties had actually deepened rapidly under the previous DPP administration. Now, Ma said, he hoped to continue and institutionalize this trend by reaching an agreement similar to a free trade agreement with China. Discussions of such an agreement may begin as early as this May, Ma said, and would likely focus on establishing a general framework as well as targets for achieving an "early harvest" in areas where there is already general consensus for more rapid progress. This would not only help Taiwan investors and businessmen, but also would make it easier for Taiwan to conclude trade deals with other countries in the region. Many of Taiwan's neighbors, Ma explained, are unwilling to sign FTAs with Taiwan before China does so.

15. (SBU) Taiwan also hopes to conclude an FTA with the United States at some point, Ma said, but understands that there are significant obstacles to this in the short-term, not least of which is the administration's lack of Trade Promotion Authority (TPA). Instead, Taiwan hopes to use a building-block approach, making progress on those elements of an FTA that are achievable, such as a bilateral investment agreement and a dual-taxation pact. Lincoln Diaz-Balart confirmed that the U.S. administration's TPA had lapsed, but said he is working with other members of the Taiwan Caucus on "creative ways" to advance the bilateral trade relationship and promote Taiwan's economic security. Once these ideas are ready, the Caucus will share them with Taiwan's representatives in Washington, Diaz-Balart said. Ma noted U.S. concerns about access to Taiwan's market for all U.S. beef products, and said he hoped to resolve the issue soon.

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16. (SBU) Giving Taiwan access to the U.S. Visa Waiver program would deepen the already-close people-to-people ties between Taiwan and the United States, Ma said. "We know there are things we must work on ourselves," he said, noting specifically the need to fix flaws in Taiwan's passport issuance procedures. Taiwan is addressing these concerns and we hope that we can be considered for the program as soon as these issues are worked out, the President stressed. The United States stands to reap significant economic benefits, Ma reminded the Congressmen, since Taiwan tourists are "big shoppers." Congress knows where Taiwan is in terms of qualifying for the visa waiver program, Diaz-Balart assured Ma, and is prepared to help when appropriate.

17. (SBU) Finally, Ma said, Taiwan hopes to conclude an extradition agreement with the United States as soon as possible. Taiwan and U.S. law enforcement officials already work closely together, he noted, citing recent cases of cooperation between Taiwan and DEA, USSS, and other federal and state authorities. Unfortunately, he said, the lack of an extradition agreement meant that a number of Taiwan's "most wanted" criminals are at large in the United States. Diaz-Balart thanked Ma for the assistance in combating transnational crime.

18. (U) The U.S. delegation included Rep. Lincoln Diaz-Balart, Rep. Mario Diaz-Balart, the Director, Lincoln Diaz-Balart Chief of Staff Ana Carbonell, Mario Diaz-Balart Chief of Staff Nilda Pedrosa, Lincoln Diaz-Balart Senior Legislative Assistant Autumn Morley, Mario Diaz-Balart Senior Legislative Assistant Miguel Mendoza and AIT Pol Chief. Ma was accompanied by National Security Advisor Su Chi, VFM David Lin, MOFA North American Affairs Division DG Harry Tseng, MOFA North American Affairs Division Director Douglas Hsu and MOFA North American Affairs Division officer Johnson Chiang.

19. (SBU) Reps. Diaz-Balart did not have an opportunity to clear this message.

YOUNG